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Concress of the United States House of Representatives

March 10, 2005

Be Original

Dear Colleague:

Please join me as an original sponsor of the Internet Tax Non-Discrimination Act of 2005. The ban on discriminatory Internet taxes has been in effect since 1998 and the results are in: More than 200 million online Americans are generating higher income, property, sales and franchise taxes for governments at all levels. The U.S. is enjoying an Internet-led productivity boom, and state and local tax receipts are at an all-time high. All of this has been accomplished without email taxes, "bit" taxes, bandwidth taxes, or any other tax that applies only to the Internet. It's time to make this law permanent.

The Internet tax ban is keeping Internet access services affordable by preventing regressive taxes. This has helped grow the online population at all income levels. A full 75% of our people now live in households with Internet access. Let's make it 100%.

Ever since the Internet Tax Freedom Act became law in 1998, U.S. productivity has been growing at almost double the prior rate. In its 2004 report, "Riding a Surge of Technology," the Federal Reserve Bank of Dallas notes: "The New Economy carries a powerful policy implication: With stronger productivity, the economy can grow faster without fueling inflation."

Meanwhile, thanks in part to the Internet tax ban, state and local governments are reaping the benefits of Internet-generated growth. State and local governments recently completed their 13th consecutive quarter of rising tax collections.

The verdict is in. Almost seven years into the Internet tax ban, consumers and the U.S. economy are the biggest winners. Revenues to state and local governments are at their highest levels in American history. Please join me as an original sponsor of the Internet Tax Non-Discrimination Act of 2005, to make the Internet tax ban permanent. To do so, please call me at 225-5611 or talk to James Freeman of my staff. Thank you for your consideration.

Christopher Cox

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